**Research Plan: Design Report**

**Country: ALBANIA**

**Researcher: ELVANA GADESHI**

**Action Plan: 2018 - 2020**

**# of commitments:** 4

**Research approach: (Required)** Desk research, interviews with stakeholders, observation of meetings and OGP activities related to development and implementation of action plan. **(Additional: please add as needed).**

**Part 1.**

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| **Process assessment** | |
| 1. List key civil society stakeholders that participated in the development of the action plan | Institute for Research and Development Alternatives, Institute for Co-operation and Development, Foundation "Open Society for Albania", Institute for Promotion of Social Economic Development  “Open Society for Albania” SOROS  INFOCIP |
| 2. List key civil society stakeholders that did not participate in the development of the action plan | AIS (Albanian Institute of Science) a member of the Coalition for Open Government Partnership (OGP) for Albania  Citizens and business community members. |
| 3. List key government stakeholders that participated in the development of the action plan | Department of Development and Good Governance at the Prime Minister’s Office  INSTAT (Statistics Institute)  Directorate of Treasury Operations  Regulatory and Compliance Department at the Prime Minister’s Office;  The Commissioner for the Right of Information  NAIS (National Agency for Information Society)  MoFE (Ministry of Finance and Economy)  MoJ (Ministry of Justice)  PPA (Public Procurement Agency)  ASPA (Albanian School of Public Administration)  MoHSP (Ministry of Health and Social Protection)  ADISA (Agency for the delivery of the integrated Services Albania)  HIDAACI (High Inspectorate of Declaration and Audit of Assets and Conflict of Interest)  EU [[1]](#footnote-1) |
| 3. Add link to OGP website/page or repository where information on action plan development is available. | **N/A[[2]](#footnote-2)** |

**Part 2.**

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| **Commitment design assessment** | | | | |
| **Commitment** | **Milestones/activities (*if any)*** | **Who should I interview?** | **Brainstorm sources (desk research)** | **Interview questions for each of the stakeholders** |
| **No. 1:**  **Open Government to Increase Transparency in Government Reporting and Improve Accessibility to Information** | 1.1 Establish a comprehensive statistical system covering the needs of budgetary and semi-budgetary entities.  1.2 Creating standardized information  1.3 Creating alternative methods for gathering information  1.4 Integration of Additional Information on the Treasury System (AGFIS[[3]](#footnote-3))  1.5 Integration into New Templates for Exchange of Information  1.6 Compare the results and approve new information  1.7 Drafting a detailed statement of fiscal risks and inclusion in the budget documentation  1.8 Monitor public institutions regarding the implementation of FMC [[4]](#footnote-4)requirements  1.9 Implementation of FMC funds in public sector entities | Primary issues areas of this commitment:  ***Budget Transparency and accessibility to information***  This commitment aims to guarantee a public finance system that promotes transparency, accountability, fiscal discipline and efficiency in the management and use of public resources and to improve the quality of service delivery and economic development  **Stakeholders that work in this area including group of interest:**   1. Ministry of Finance and Economy 2. Directorate of Treasury Operations 3. The Prime Minister's Office,   3. INSTAT  4. PPA  5. AIS (Albanian Institute of Science) a member of the Coalition for Open Government Partnership (OGP) for Albania.  6. Business community members | <http://financa.gov.al/wp-content/uploads/2017/09/Albanian_PFM_strategy_2014-2020-1.pdf>  <http://www.financa.gov.al/wp-content/uploads/2018/08/2017-PFM-Strategy-Monitoring-Report.pdf>  <http://ais.al/new/en>  <https://www.internationalbudget.org/open-budget-survey/results-by-country/country-info/?country=al>  <https://www.internationalbudget.org/wp-content/uploads/albania-open-budget-survey-2017-summary.pdf>  <http://www.kazaziconsulting.com/clients/>  <http://www.financa.gov.al/wp-content/uploads/2018/06/PEFA_2017_ENG_.pdf>  Mid-term review 2014-2018 (draft Report)  PUBLIC FINANCIAL MANAGEMENT REFORM 2014-2020  <https://www.opengovpartnership.org/members/albania/commitments/AL0051/>  <http://financa.gov.al/projektbuxheti-2019/> | What is the current problem?  A comprehensive, standardised statistical system for Budget Institutions (BI) will need to be prepared and will be accompanied with revisions of policies, standard procedures and templates to enable the preparation of reports following ESA 2010 government finance statistics. In this context, the strengthening of the GFS working group and the development of an integrated GFS compilation system will be in focus in the upcoming years. Furthermore, EDP notification tables are now being sent regularly to EUROSTAT since 2017, but require further development. Priorities in the next phase will include: A sustainable statistical system for the public sector is in place; and EDP tables are revised and full statistical system created.    How well the commitment could improve the situation?  This commitment will ensure Independent statistical agency that produces timely and reliable National Government Accounts  What are budgetary and semi-budgetary entities?  The General Government sector consists of several sub-sectors: Central Government, Federal Government, Local Government, and Insurance Funds. The Central Government Sector is composed of Budget Units and Extra Budget Units. Joining these divisions forms the central government sector. The Local Government Sector is also divided into Budget Units and Extra Budget Units. In addition to budget institutions, the public sector includes both financial enterprises, the Central Bank and non-financial enterprises, which are owned by the general government, while maintaining a level of independence in their activity.    What makes them different?  <http://www.instat.gov.al/media/3743/prova.pdf>    What are the current methods for gathering information and *what information* is this milestone talking about?  “INSTAT's mission is to provide transparent, neutral and timely statistics that help the user to understand on the developments of the transformation processes within the country. INSTAT, as the main institution of producing official statistics and coordinator of the national statistical system, aims to provide reliable and comparable data, adapting methodologies and adding a list of statistical indicators.    As related to the FPM and its correlation with INSTAT, our aim is to build and improve the national statistical system for the compilation of GFS statistics. The bases for the GFS statistical system are given from the methodology of ESA2010 (European System of Accounting 2010), which is a requirement for the EU candidate and Candidate Countries, And from GFSM2014 (Government Financial Statistics Manual 2014), which is a requirement from the IMF.”  What could be the benefits of the integration of additional information on the treasury system (AGFIS)  What could be the benefits of the integration in the new template for exchange of information? (1.5)  Are the public institutions currently not monitored regarding the implementation of FMC (Financial Management and Control) requirements?  The evaluation of the internal control system is carried out through the analysis of the revised self-assessment questionnaires, the annual statement and the annual reports on the quality of the internal control system, as well as the respective performance indicators for planning and budget execution and harmonization of internal control, evaluated according to the methodology for monitoring the performance of the internal control system in the public units.  For the presentation of the state of the internal control system in the public units, the Ministry of Finance and Economy draws up an annual report on the functioning of the internal financial control system in the general government units. This report is drafted as a legal requirement by providing an annual summary of the activities and outcomes achieved by the beneficiaries of public funds during the process of establishing, developing and strengthening the financial management system and the internal audit function. At the end of the assessment of the status of the internal control system, the public units are ranked based on their performance.  Also, Based on Articles 25 and 26 of Law no. 10296, dated 08.07.2010 "On Financial Management and Control", amended, DoH / MFCA for the purpose of performing the main functional tasks, plans monitoring in some units of general government regarding the feasibility of FMC requirements. This monitoring process aims to verify the reliability of the information contained in the revised self-assessment questionnaires and encouraging public entity to carry out a detailed and reliable self-assessment of internal control system. By 2019, 21 public units are foreseen to be monitored, and up to the present moment monitoring has been carried out in 10 public units.  If so, what are the issues that arise if they are not monitored?  Despite the fact that the process of monitoring in the public units is a structured and perpetual process, from the field visits evaluation there are still problems regarding the implementation of the system, which are detailed in the PIFC Annual Report for 2018.    <http://www.financa.gov.al/drejtorine-e-harmonizimit-te-menaxhimit-financiar-dhe-kontrollit/>  What could be the benefits if this monitoring process will happen?  The main benefits deriving from the implementation of the monitoring process consist mainly of:   * Verification of the reliability of information included in the self-assessment questionnaires. * realistic assessment of the state of the internal control system in the public units; * increasing transparency in the management of public funds; * undertaking concrete measures for the further improvement of the internal control system; * providing assistance to public entities in implementing key financial management and control instruments   What are FMC requirements? (1.8)  Regarding the evaluation and monitoring of FMC system, the Authorizing officer of the public unit, on the grounds of self-assessments shall submit to the head of the public unit and to the Principal Authorizing officer a Declaration together with a report on the quality and condition of internal control systems in the public unit which covers for the previous year, no later than the end of February in the current year. To fulfill his obligation, head of the public unit must implement an internal reporting system to obtain information from the subordinate units to support the declaration under this law.  The Principal Authorizing Officer shall prepare and submit a Consolidated Annual Report to the Minister of Finance, no later than end of May, based on the reports cited in the paragraph 1, on internal controls in the public sector. This Report summarizes the annual reports on financial management and control and internal audit in the public sector.  The Minister of Finance present to the Council of the Ministers and State Supreme Audit, each year by the end of June, an annual report on the quality and functioning of public financial internal control for the previous year, including important findings and recommendations to improve the system.  Also, the Heads of public Organizations are responsible for establishing and operating a system to monitor the financial management and control with the scope to evaluate its adequate functioning and guaranteeing its timely updating whenever there circumstances change.  Monitoring and assessment of the system shall be mainly accomplished through on-going monitoring, self-assessment and internal audit.  This commitment aims to improve transparency and accountability in public finance and management of public resources. Why is this a problem that needs to be addressed in Albania? Is there a lack of transparency in the budget design process?  Government of Albania is committed to improve the transparency and accountability in public finance and management of public resources. Improvements have been done toward this commitment:  Albania produces and publishes all 8 key budget documents classified as indispensable in the context of transparency.   1. *Pre-Budget Document* 2. *Executive’s Budget Proposal* 3. Citizen Budget 4. Enacted Budget 5. In-year Reports 6. Mid-year Report 7. Year-end Report – The other-wisely called “Annual Consolidated Budget Report”, analyzes the annual performance of the Government finances for the past year. 8. Audit Report – In progress (will be published within October 2019).   Also, other important reports prepared and published are:   * 2018 Budget Performance Monitoring Reports - These 4-months based reports are published periodically on the official website of each line ministry and institution   2018 Periodic Reports on Arrears Monitoring  Regarding the process of monitoring financial management and control systems is sanctioned in the Law on Financial Management and Control, adopted in 2010. The monitoring process for public entities has been carried out since the adoption of the FMC law. Also, with the revision of the financial management and control manual in 2016, a field visit methodology was adopted, which describes the methodology for conducting the monitoring process. Regarding the budget preparation process, we emphasize that this is a process regulated by the organic budget law and by-laws in its function. The budget design process takes into account and analyzes the budgetary requirements of all public units.  Is there mismanagement and corruption regarding the use of public resources?  Regarding the statistices on investigations of suspicion of fraud, let me inform you as below:  -The Public Financial Inspection Directory acts within the framework of the Law No.112 / 20105 "On Public Financial Inspection” and it’s bylaws. The purpose of this law is the protection of the financial interests of public entities against serious financial mismanagement, fraud, theft, destruction of property, misuse of power or corruption. The mission of public financial inspection is to guarantee the compliance with the law in using public funds and to provide assistance in improving public financial management.  -Public financial inspection is an ex-post activity (on the regularity of transactions and other activities of public financial management, performed under the responsibility of public units and individuals).  -The public financial inspection starts only upon a request / information or complaint on irregularities received from different sources: *a)* Internal audit units; *b)* Request by the State Supreme Audit; *c)* Minister of Finance and Economy; *d)* Heads of public institutions, *e)* anonymous individuals, etc.  -The requests/informations received are administered and reviewed by DIFP in accordance with the requirements of Law No.112 / 2015 "On Public Financial Inspection” and of the Regulation no. 29,  dated 27.11.2015 “On the Criteria for the Commencement of Public Financial Inspection”.  **Only those information / requests / complaints that meet the criteria set out in the Law on public financial inspection and the regulations (by-laws) for its implementation are eligible and constitute the basis for initiating public financial inspection.**  -Data for 2018:Out of 23 received requests, 13 of them did not meet the legal criteria  for initiating public financial inspection. Only 10 complaints / information / requests reviewed in compliance with the legal criteria were eligible and served for the the initiation of the public financial inspection.  How well the planned activities could improve the status quo?  Each year, the directory foresees the undertaking of some activities for the further improvement of the financial management and control system. Thus, through the recent improvements of the legal framework, in line with best international practices, it has been made possible to facilitate the implementation of procedures in the field of internal control. In addition, within the framework of capacity building and awareness raising of the public administration and management level of public units on the role and importance of the internal control system, a number of trainings have been conducted in the field of financial management and internal audit and audit. Technical assistance is provided to those institutions that express the interest in implementing the internal control requirements thus creating good models for other public entities.  As the implementing institution of activities of commitment no 1, have you been involved in its design?  Based on FMC law, it is the responsibility of the Minister of Finance and Economy for monitoring the quality of the internal control system in the general government units, for which he reports annually to the Council of Ministers and the Parliament of Albania. This process, carried out through the structure responsible for harmonization of public internal financial control, supports and monitors the systematic implementation of financial management and internal audit and auditing in public entities, with a view to gathering information to improve the methodology and working standards.  Each year, the Ministry of Finance and Economy has supported the development of an internal control system in public sector entities to guarantee a public finance system that promotes transparency, accountability, fiscal discipline and efficiency in managing and using public resources to provide improved services and economic development. FMC directory has been involved in conducting the monitoring process, providing technical assistance for the implementation of the FMC system and capacity development in the field of FMC.  Are the activities of commitment (1) have a realistic budget?  All the activities are foreseen during the drafting of the MTBP and for their realization there is a defined budget.  What has already been achieved in this area prior to the start of the Action Plan?  The main achievements in implementing an effective financial management and control system consist mainly of:   * improvement of the legal framework in the field of FMC; * Providing technical assistance for the practical implementation of the FMC instruments (risk register, audit trails, book of business processes etc.) * drafting methodologies for carrying out the monitoring process (increasing the number of institutions monitored each year) * drafting and adopting an action plan for setting up an effective FMC system;   Do you think the timeline for implementing these activities is a realistic time frame to meet the set targets?  The monitoring process is an ongoing process which should be carried out every year but the issues to be addressed are related mainly with the level of awareness of high level managers.  If implemented, would the commitment impact performance and tackle the problem?  Realization and fulfillment of commitments within timeframes and with quality will significantly improve the performance in the implementation of internal control systems and the effective management of public funds. |
| **No.2**  **Open Governance to Modernize Public Services and E-Gov** | 2.1.1 Developing the information section on the Open Government Partnership (OGP-OGP)  2.1.2 Development of the "Open Data" section for transparency on the activity of public institutions  2.1.3 Identification and collection of data in the appropriate format from the public administration institutions  2.1.4 Integration of data into the portal  2.2.11 Implementing new electronic services on the e-Albania portal  2.2.2 Data Exposures to the Government Interaction Platform | Primary issues areas of this commitment:  ***E-governance and interactive public services for citizens and businesses.***  This commitment aims *at development of* electronic governance and the provision of interactive public services for citizens and businesses  **Stakeholders that work in this area including group of interest:**   1. National Agency of Information Society (NAIS) 2. ADISA (Agency for the delivery of the integrated Services Albania) 3. MoHSP (Ministry of Health and Social Protection) 4. The Commissioner for the Right of Information 5. Representatives from group of interest (Citizens/ people from business community, CSOs). | <http://www.adisa.gov.al/misioni/>  <http://www.al.undp.org/content/albania/en/home/projects/innovation-for-service-delivery.html>  <http://akshi.gov.al/wp-content/uploads/2018/03/VKM-nr.-495-date-13.9.2017.pdf> | What is the current problem?  How well the commitment could improve the situation?  Is this “information section” on OGP currently lacking?  What has already been achieved in this area prior to the start of the Action Plan?  Does this milestone refer to Albania’s national OGP website?  Is the “Open Data” section currently non-existent or lacking? What data will go in it?  How will the data be identified? Who will help identify the data?  Will civil society groups be consulted in identifying the data?  Which institutions will publish data?  What data will be integrated into the portal?  How this commitment will contribute to reduce bureaucracy and cost for citizens and businesses?  How this commitment would add to what already exists on this portal compared to what is already available?  What could be the benefits for citizens and businesses if the development of electronic governance will happen?  Are the activities of the commitment 2 associated with a realistic budget?  Do you think the timeline for implementing these activities is a realistic time frame to meet the set targets?  If implemented, would the commitment impact performance and tackle the problem? |
| **No. 3**  **Open governance for “Better Regulation”** | 3.1 Drafting a methodology for the preparation of strategic documents (strategies, programs, action plans, policy documents, etc.).  3.2 Drafting a legal package for the functionality of the IPSIS system  3.3 Improve the capacity of the Department of Development and Good Governance & line ministries in terms of monitoring policies / strategies / action plans / development programs, in accordance with IPSIS[[5]](#footnote-5) & AFMIS[[6]](#footnote-6) methodologies  3.4 Review of the Legal Basis and Regulatory Framework for the Functioning of IPMGs and / or SWGs to Address Challenges in Government Structures and Change of Functions  3.5 Preparation of standard tools (tool kit) for the functioning of IPMG for Good Governance & Operational Guidance / Progress IPMG (reviewing the regulatory framework for the functioning of IPMG for Good Governance)  3.6 The systematic functioning of the Policy Group's Policy Group and the establishment of a policy-making network with policy units in line ministries  3.7 Preparation of Operational Guidelines for line ministries for carrying out the public consultation process and functioning of the  public consultation of e-register.  3.8 Training / Capacity Building for Responsible Staff in Line Ministries for the Use of Public Consultation e-Platform  3.9 Regular monitoring of the implementation of the public consultation process  3.10 Establish rules that make the implementation of the Impact Assessment process mandatory  3.11 Strengthening capacities, through various employee training (RIA Network) in line ministries and the Prime Minister’s Office, in order to improve the process of regulatory impact assessment  3.12 Improve the planning process of drafting legal acts by defining the general terms and conditions  of the PPAP drafting process | Primary issues areas of this commitment:  ***Public Administrations development, E-governance and interactive public services for citizens and businesses.***  This commitment aims at development of a public administration that provides high quality services to citizens and businesses in a transparent, effective and efficient manner, through the use of modern technologies and innovative services, and complies with European integration requirements through impartial, professional and accountable civil servants, part of the efficient structures.  A transparent policy-making, inclusive, policy-making system that ensures alignment with the acquis.  **Stakeholders that work in this area including group of interest:**   1. Department for Development and Good Governance, PMO 2. Regulatory and Compliance Department at the Prime Minister’s Office; 3. NAIS (National Agency of Information Society) 4. ASPA (Albanian School of Public Administration) 5. EU 6. Institute for Development, Research and Alternatives (IDRA) – Local NGO 7. Institute for Promotion of Social Economic Development – Local NGO | <http://dap.gov.al/images/raportetvjetore/Annual_Monitoring_Report_2017.pdf> (page 22)  <http://www.qkr.gov.al/media/1308/lgji-146_2014-ne-anglisht.pdf> | What is the current problem?  How will the methodology be developed?  What are the new elements of the revised methodology that will help measure the impact of strategic documents?  Who will help develop it (govt, CSOs?)? Also, why is having a methodology in place for developing these strategic documents important in the Albanian context?  What are these two “methodologies” (with IPSIS & AFMIS?  Do they pertain to European integration?  If yes, where does the European integration aspect of this commitment come in? Which milestones? If this integration is a strategic goal for Albania, where does the country currently stand and how important are this commitment’s activities towards achieving that goal.  What will this toolkit look like, if completed?  How this commitment will contribute to a higher quality services to citizens and businesses in a transparent, effective and efficient manner?  Will there be rules that make the implementation of the Impact Assessment process mandatory with an additional budget needed for its implementation?  How many employees does the government plan to train?  Also, what changes might this training entail and when?  Are the activities of commitment (3) associated with a realistic budget for the fulfillment of the latter?  Do you think the timeline for implementing these activities (commitment 3 activities) is a realistic time frame to meet the set targets?  If implemented, would the commitment impact performance and tackle the problem? |
| **No. 4**  **Open governance for creating safe communities** | 4.1.1 Establish control groups  4.1.2 Draft a calendar / control plan  4.1.3 Conduct audits in public institutions  4.1.4 Finding / compiling the audit report  4.1.5 Proposed measures  4.2.1 Online CAC communications on TF CA control cases  4.2.2 Publication and Accessibility of publikut dhe grupeve të interesuara për gjetjet e kontrolleve të kryera  4.3.1 Periodic reporting of ADB on platform denunciations  4.4.1 Improved handling of denunciations against corruption  4.5.1 Completion of the procurement procedure and signature of the software development contract  4.5.2 Completion of procurement procedure and signing contract for hardware infrastructure  4.5.3 Software design  4.5.4 System development and infrastructure building  4.5.5 Implementation,  virtualization / termination of the operating system, installing | Primary issues areas of this commitment:  The policy goal of this activity is to control and denunciation the corrupt practices in public institutions by the Anti-Corruption Task Force    This commitment aims to control and denunciation of corrupt practices in public institutions by the Anti-Corruption Task Force as well as establish an online system for assets declaration by the declaratory subjects. The latter will contribute towards transparency and strengthen anti-corruption prevention mechanisms  **Stakeholders that work in this area including group of interest:**   1. MoJ (Ministry of Justice) 2. Department of Development and Good Governance at the Prime Minister’s Office 3. HIDAACI (High Inspectorate of Declaration and Audit of Assets and Conflict of Interest) 4. Regulatory and Compliance Department at the Prime Minister’s Office; 5. “Open Society for Albania” SOROS – engaged in the development of Action Plan 6. INFOCIP - engaged in the development of Action | <https://www.coe.int/en/web/tirana/-/towards-the-establishment-and-functioning-of-the-electronic-system-for-asset-declarations-in-albania>  <https://qbz.gov.al/eli/fz/2017/85/5e5079ed-0bf3-4c59-ad02-a6dcc3593e42;q=42%2F2017> | What are some of the existing problems or deficiencies in Albania’s existing anti-corruption mechanisms?  How well the commitment could improve the situation regarding the safe communities?  What are these “control groups”? Who will be included in them?  What are the current problems identified in monitoring of the implementation of Cross-Sectoral Anti-Corruption Strategy?  Who is on the Anti-corruption Task Force?  The output indicator for this commitment is “Improve the corruption perception index”. This improvement would actually demonstrate lower corruption in Albania?  Is there any specific measurement that will be used to determine if the milestones have improved anti-corruption in Albania?  How the government plans to measure the implementation of this commitment?  How well the online electronic system could improve the status quo?  Are the milestones of commitment (4) associated with a realistic budget?  Do you think the timeline for implementing these activities (commitment 3 activities) is a realistic time frame to meet the its objective?  If implemented, would the commitment impact performance and tackle the problem? |

1. Who from the EU specifically will be decided at a later date. [↑](#footnote-ref-1)
2. Starting in 2018, countries are required to have an online OGP repository/website in order to avoid “acting contrary” to OGP process. If no such website exists for Albania, we will need to note in Section III of the report. Also, the PoC will be asked what progress has been made to develop a national OGP website and when they expect to make it available. [↑](#footnote-ref-2)
3. Albanian Government Financial Information System [↑](#footnote-ref-3)
4. Financial Management and Control [↑](#footnote-ref-4)
5. Integrated Planning System and Information System [↑](#footnote-ref-5)
6. Albanian Financial Management Information System [↑](#footnote-ref-6)